

FISCAL NOTE

Bill #: SB0489

Title: Use tobacco settlement for prevention and children's health care

Primary

Sponsor: John C. Bohlinger

Status: As introduced

Sponsor Signature

Date

Dave Lewis, Budget Director

Date

Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
State Special Revenue	\$ 8,983,000	\$ 7,058,200
Revenue:		
General Fund	\$9,731,500	\$7,646,300
State Special Revenue	8,983,000	7,058,200
Net Impact on General Fund Balance:	\$ 9,731,500	\$ 7,646,300

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. SB 489 only deals with the distribution of 50% of the tobacco settlement funds. If SB 323 is passed by the electorate, then the other 50% goes to a trust fund. If SB 323 fails, then it could be assumed that the general fund would receive the other 50%. The fiscal note addresses only the 50% in SB 489.
2. The first and second tobacco settlement distributions will be received in FY 2000 and will total \$37.429 million, and 50% is \$18.715 million. The third distribution will be received in FY 2001 and will total \$29.409 million, with 50% being \$14.704 million. There would be available \$33.418 million for the following

programs: tobacco prevention, CHIP, reimbursement for medical services and general fund for FY 2000 and FY 2001.

3. There will be allocated \$6,175,800 for FY 2000 and \$4,852,500 for FY 2001 for the development and administration of a tobacco disease and prevention program for the following:
 - To fund local community-based prevention programs in 56 MT counties (FY 2000 - \$1,506,060 and FY 2001 - \$1,006,060)
 - To expand tobacco use prevention education in all Montana public schools (FY 2000 - \$649,900 and FY 2001 - \$549,900)
 - To provide tobacco use cessation programs for Montana citizens (FY 2000 - \$591,800 and FY 2001 - \$591,800)
 - To conduct an on-going statewide public prevention education and awareness campaign (FY 2000 - \$721,200 and FY 2001 - \$602,100)
 - To enhance existing health programs which address tobacco-related diseases (FY 2000 - \$1,650,700 and FY 2001 - \$1,062,700)
 - To implement special projects for Native Americans and smokeless tobacco users (FY 2000 - \$468,000 and FY 2001 - \$463,900)
 - The program will include 3 staff (1.00 FTE program manager (grade 16) and 2.00 FTE public health educators (grade 15) to administer and manage the program (\$108,000 salary and benefits) and \$12,000 in equipment for FY 2000 only.
4. There will be \$2,807,200 for FY 2000 and \$2,205,700 for FY 2001 allocated to cover comprehensive health care services provided by the Children's Health Insurance Program (CHIP).
5. There will be \$2,245,800 for FY 2000 and \$1,764,500 for FY 2001 allocated for reimbursement of medical services, which include both payment and administrative costs that were paid by the general fund in past years. It is assumed that these funds go back to the general fund.
6. There will be \$7,485,700 for FY 2000 and \$5,881,800 for FY 2001 allocated to the general fund .

FISCAL IMPACT:

	<u>FY2000</u>	<u>FY2001</u>
	<u>Difference</u>	<u>Difference</u>
FTE	3.00	3.00

Expenditures:

Personal Services	\$ 108,000	\$ 108,000
Operating Expenses	6,055,800	4,744,500
Equipment	12,000	0
Transfers (CHIP)	<u>2,807,200</u>	<u>2,205,700</u>
TOTAL	\$ 8,983,000	\$ 7,058,200

Funding:

State Special Revenue (02)	\$ 8,983,000	\$ 7,058,200
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Revenues:

General Fund (01)	\$9,731,500	\$7,646,300
State Special Revenue (02)	8,983,000	7,058,200